



... creating a better quality of life

February 14, 2006

Honorable Mayor and Members of City Council:

RE: “Monthly” cost of city services – Single Family Home

This theoretical monthly “bill” is an attempt to quantify what citizens receive each month and the cost of those services. Since we are all used to paying monthly bills for our mortgage, utilities, car and mobile phone among others, this analysis has been useful in demonstrating that provides an excellent value.

I have completed an analysis for Murfreesboro on the monthly costs for all general fund services relative to the property tax.

According to the Property Appraiser’s Office, the average appraised value in FY 06 for a single-family house in the City is \$130,471.90. Based on this average house, I calculated that the monthly “bill” from the City would be \$46.75.

**Average House in Murfreesboro
FY 06**

Avg. Appraised value	\$ 130,471.90
Assessment ratio	25%
Taxable Amount	\$ 32,617.98
City Tax Rate	\$ 1.72
City Tax Bill - Annual	\$ 561.03
City Tax Bill - Monthly	\$ 46.75

What do you get for that?

- A full-service police department offering patrol, criminal investigation, community policing, traffic operations, canine, DARE and a number of community crime prevention programs;
- A fire department with the best rating in the state, which directly results in lower homeowner’s insurance for you. As you know, the Murfreesboro Fire Department was named the best fire department in the state by the Tennessee Municipal League;
- Parks and recreation facilities programs, including SportsCom, StarPlex, Barfield Crescent Park, Old Fort Park, Patterson Park, Greenway and the newly opened Siegel Soccer Park;
- A nationally-recognized K-6 city school system that has a tradition of excellence
- Weekly garbage removal (On a weekly basis, this is only 64 cents for collection and disposal);

- Street maintenance, including mowing of rights-of-way, snow removal, street paving and leaf collection;
- Street Lights;
- Traffic signals;
- Building and Codes inspection services, including enforcement of ordinances such as weed and grass, sign and abandoned vehicles;
- Support for various organizations, including chamber of commerce and those related to social services, senior center, tourism and economic development;
- Payment on the bonds used to construct roads, schools, police cars, fire trucks, garbage trucks, recreational facilities and drainage improvements.
- Funding for Administration, Personnel, Legal, Planning, Engineering and Urban Environmental Departments.

In this example, the “bill” from the city is comparable to the monthly bills for telephone service, expanded cable television or high-speed internet service. It is only a little bit more than the average Murfreesboro water and sewer bill in the city (\$36.69). In many cases, the city’s “monthly bill” will be less than monthly car insurance payment or mobile phone bill.

Summary

This table also provides the tax bill for the average house and houses above and below in terms of appraised value:

How Your Tax Dollars are Spent							
FY 06							
					Average Appraised		
House Appraised Value				\$ 100,000	\$ 130,472	\$ 200,000	\$ 300,000
Annual Property Taxes				\$ 430.00	\$ 561.03	\$ 860.00	\$ 1,290.00
Monthly Property Taxes				\$ 35.83	\$ 46.75	\$ 71.67	\$ 107.50
	Annual Budget	Monthly	Percent of GF	Monthly Charge	Monthly Charge	Monthly Charge	Monthly Charge
Police	\$ 15,678,056	\$ 1,306,505	21.5%	\$ 7.71	\$ 10.06	\$ 15.41	\$ 23.12
Debt Service	\$ 14,218,256	\$ 1,184,855	19.5%	\$ 6.99	\$ 9.12	\$ 13.98	\$ 20.97
Fire	\$ 11,851,725	\$ 987,644	16.3%	\$ 5.83	\$ 7.60	\$ 11.65	\$ 17.48
Parks/Rec	\$ 5,787,695	\$ 482,308	7.9%	\$ 2.85	\$ 3.71	\$ 5.69	\$ 8.54
Schools	\$ 4,810,103	\$ 400,842	6.6%	\$ 2.36	\$ 3.09	\$ 4.73	\$ 7.09
Solid Waste	\$ 3,954,671	\$ 329,556	5.4%	\$ 1.94	\$ 2.54	\$ 3.89	\$ 5.83
General Admin	\$ 3,419,550	\$ 284,963	4.7%	\$ 1.68	\$ 2.19	\$ 3.36	\$ 5.04
Street	\$ 3,386,205	\$ 282,184	4.6%	\$ 1.66	\$ 2.17	\$ 3.33	\$ 4.99
Other	\$ 2,864,185	\$ 238,682	3.9%	\$ 1.41	\$ 1.84	\$ 2.82	\$ 4.22
Planning/Eng	\$ 2,536,624	\$ 211,385	3.5%	\$ 1.25	\$ 1.63	\$ 2.49	\$ 3.74
Building/Codes	\$ 1,478,766	\$ 123,231	2.0%	\$ 0.73	\$ 0.95	\$ 1.45	\$ 2.18
Other Gov't Agencies	\$ 662,433	\$ 55,203	0.9%	\$ 0.33	\$ 0.42	\$ 0.65	\$ 0.98
Legal	\$ 587,475	\$ 48,956	0.8%	\$ 0.29	\$ 0.38	\$ 0.58	\$ 0.87
Personnel	\$ 567,339	\$ 47,278	0.8%	\$ 0.28	\$ 0.36	\$ 0.56	\$ 0.84
Senior Center	\$ 373,450	\$ 31,121	0.5%	\$ 0.18	\$ 0.24	\$ 0.37	\$ 0.55
Tourism	\$ 340,000	\$ 28,333	0.5%	\$ 0.17	\$ 0.22	\$ 0.33	\$ 0.50
Economic Dev	\$ 272,250	\$ 22,688	0.4%	\$ 0.13	\$ 0.17	\$ 0.27	\$ 0.40
Outside Agencies	\$ 102,350	\$ 8,529	0.1%	\$ 0.05	\$ 0.07	\$ 0.10	\$ 0.15
Total	\$ 72,891,133	\$ 6,074,261	100%	\$ 35.83	\$ 46.75	\$ 71.67	\$ 107.50

I hope this information is instructive for you. I know I am used to reviewing the total annual budget, but putting it in the terms of a “monthly bill” provides a good comparison since we pay most of our bills on a monthly basis. I think it also provides a good example of how city government provides many services for a very reasonable cost.

Methodology:

These calculations were made by determining each department’s percent of the total general fund budget and applying the percentage to the tax bill on a \$130,471.90 house.

For example, the Police budget (\$15,678,055.56) is 21.5 percent of all general fund expenditures. In the example, 21.5 percent of the tax bill of \$46.75 equals \$10.06.

Sincerely,
Robert J. Lyons
Assistant City Manager